

amount at which it stood, and this enormous reduction only shows the importance of accurate valuations. Some questions were put by stockholders which shows how easily they may have their attention diverted from really important issues to such as are secondary. It was asked if the cash had been recently counted by the directors, to which an affirmative answer was given, so far as the head office was concerned, with the addition that the cash at the branches was counted regularly by inspectors and managers. The stockholders appeared to be extremely gratified with this: with respect to which we can only say they are easily pleased. They asked no questions about the bills of exchange and notes discounted, amounting to sixteen millions, in which the real difficulty and danger lies. These bills have been discounted at forty different places, by forty different managers, and are subject to contingencies almost innumerable. The stockholders asked nothing, and the board said nothing, about the method by which supervision was exercised and checks maintained over such prodigious masses of detailed business as the lending of money on promissory notes at forty places involves. We put on record last year a pretty strong opinion on the subject, and we can only repeat that this is the real testing point of the position and prospects of the bank. A thorough, comprehensive, and fully organized machinery of supervision of discounts, kept in constant operation from the head office, and controlled by the highest technical banking ability, is absolutely necessary in a bank so immensely ramified as the Merchants' now is; and no amount of ability apart from this, can possibly be a substitute for it. We have reason to believe that there has been considerable attention paid to this matter during the past year; and here, we must again say, is that which will really determine the whole future of the bank. Discounts and loans to the amount of about a hundred millions of dollars a year must be made by the officials of the bank, including in this the purchase of bills of exchange. A loss of only one per cent. on this would be a million dollars. A tenth part of this is a serious matter, yet the bank may lose as much as this in a year at even one out of its forty places of business. Any one can therefore see at a glance that upon supervision of its discounts the bank's prosperity or adversity really rests.

The meeting of the Mechanics' Bank passed off quietly. Stockholders exhausted their indignation last year, and now it only remains to gather up the fragments of the old business and endeavour to proceed to

reconstruction. It is a difficult business at any time, and in times like the present may prove all but impossible. We strongly doubt the wisdom of allowing an issue of preference stock. It is an exception to anything ever heard of in banking, and may raise questions of liability bye-and-bye that will be practically insoluble. But supposing the money subscribed and paid, the difficulty of wisely lending it will next come. This is the rock on which the former management split. And we doubt the wisdom of confining the business of the bank to one class of customers. No institution can secure and retain a really good position without dividing its risks amongst all classes of the mercantile community.

The exhibit made by the Imperial Bank was a very satisfactory one. The directors state that full provision for losses by bad and doubtful debts had been made: yet they had put aside \$25,000 as the commencement of a Rest account, after paying eight per cent. in dividends. This dividend in our judgment, ought not to have been more than six. It has a Rest to build up, and this is a very slow business at best, and it has made no provision for rebate on notes discounted, an entry which, if made, would reduce the apparent profits seriously. Dividends of eight per cent. are far too high for new institutions; and we must call attention again, as we have done before, to the policy of the great London and Westminster Bank, which went on for years paying only five or six per cent., until it had attained an assured position. Then it began to divide on a larger scale, and went on until it reached as high as twenty-five or thirty per cent. There is this further to be said in the case of the Imperial, that it took over the business of an old bank, whose risks had been accumulating for a great number of years. The business was taken at a considerable reduction, but in times like these old assets are apt to depreciate to a point far below anything that had been calculated upon. For this reason it would have been desirable to keep down the dividend, and form a contingent fund in addition to the Rest. We observe that the directors have wisely resolved on limiting the number of their branches. This is prudent, in view of the excessive competition for business in the smaller towns of the west; besides which the management of a number of branches involves difficulties that very few banks have shown themselves able to surmount.

—The Exchange Bank of Yarmouth has commenced building a handsome Banking house in the town of Yarmouth. It is to be constructed of brick with freestone trimmings and will be an ornament to that rising town.

LAND TENURE IN BRITAIN.

We notice in Britain a growing anxiety on the subject of land tenure, and the tendency of leading organs of opinion to press on the public mind some changes in existing laws. The lower classes of the country stand greatly in need of a reform that will bring to them the rights of possession, and break up the large estates. Property has centered in the aristocracy who constitute the chief power of government, and who through many generations have framed laws to bring vast tracts of land under the ownership of one man. So strong have the laws of land been made that the evils resulting from their operation appear to threaten the national prosperity. And it will be well if the struggle which forecasting minds are looking for on the morrow, about the rights of the poor to the useless enclosures of the rich, can be terminated in justice and peace. The relationship between the upper and lower classes is more than one of mere business. It has many distinct evils. It is working mischief among the common people and barring them from the means of social improvement. To the present system of land tenure in Britain may be traced the increase in crime and pauperism, with all the misery attending the want of homes and education among the labouring men.

The criticisms upon a blue book lately published in England furnish us with a general idea of the way the land is held. And an examination of the returns must awaken thankfulness in the hearts of Canadians that among the evils inherited from the mother country, they have escaped from an objectionable land tenure. The feudal tenure once so general in Canada disappeared in Prince Edward Island some years ago. It seemed strongly entrenched amongst us, but had to bow the head before the influence of the United States, where land was either sold or given away, and where the conditions of a free community were unfavourable to the perpetuity of such means of settlement on this side of the line. But in Britain ownership has grown into a monopoly. And if we take Scotland alone, we find the following distribution:

	PERSONS.	ACRES.
Duke of Sutherland	1	1,826,000
Duke of Buccleuch	1	481,000
Sir James Matheson	1	484,000
Earl of Breadalbane	1	373,000
Earl of Seafield	1	306,000
Duke of Richmond	1	299,000
Earl of Fife	1	292,000
Mr. Matheson	1	230,000
Duke of Athole	1	195,000
Duke of Argyll	1	174,000
Sir K. MacKenzie	1	165,000
Sir G. Ross	1	165,000
Lord Lovat	1	162,000
Duke of Hamilton	1	151,000
McLeod	1	149,000
Bailey	1	141,000